

7-1982

Theory & Practice: Managing In-House CPE

Florence Haggis

Margaret Loscalzo

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Haggis, Florence and Loscalzo, Margaret (1982) "Theory & Practice: Managing In-House CPE," *Woman C.P.A.*: Vol. 44 : Iss. 3 , Article 6.

Available at: <https://egrove.olemiss.edu/wcpa/vol44/iss3/6>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

In today's business environment, continuing professional education (CPE) is no longer a luxury provided by the larger accounting firms. Rather, CPE is vital to compete in the marketplace. How fast the profession is changing! Just in the last year, seven SASSs, two SSARs, fourteen FASBs and numerous FASB interpretations have been issued. And what about tax law changes? The Economic Recovery Tax Act of 1981 dramatically changed the tax environment. Only with adequate training can a CPA in practice keep technically up-to-date and competent.

As business and industry become more and more sophisticated and specialized, the needs of clients change and expand. Smaller companies are now looking to their CPAs for advice on computerizing systems, improving production techniques, securing financing, etc. If the practitioner does not technically keep pace with clients' needs, the clients will gradually be lost to competitors.

With increased competition and a downturn in the economy, there is need to concentrate on increased productivity. Clients are now more conscious of cost controls and want to know why fees have increased. If a firm is not able to increase staff efficiency, it will experience write-offs. Repeated client write-offs may cause clients to question the firm's technical competence and to search for a more qualified CPA firm.

All of the above factors, combined with the increase in the number of states requiring mandatory CPE and the CPE membership requirement for firms in the SEC and Private Companies Practice Sections, has focused increased attention on CPE. At the same time, the cost of training a firm's professional staff has escalated dramatically. Typical CPE seminars sponsored by outside professional associations, like the AICPA or the CPA State Society, have increased 40-50 percent over the last five years. When the cost of travel to the seminar is added, CPE is indeed an expensive investment. As a result of these high costs, many practitioners are now searching for ways to obtain high quality training while keeping the costs down. In-house CPE may be the answer for firms.

Curriculum Planning

As a first step in establishing an in-house training program, it is vital to do

Theory & Practice

Managing In-House CPE

Editor:

Florence Haggis, CPA, MBA
Touche Ross & Co.
New York, NY 10019

Guest Writer: Margaret Loscalzo

curriculum planning. This will avoid haphazard selection of programs that are not really cost effective for your firm. To begin the process, you must first determine your firm's needs. Survey your partners to determine current and long-range needs. What present skills or expertise do you want maintained? If your firm performs a good deal of estate planning, then you certainly want your staff to maintain proficiency in that area. Are there any new skills your firm needs for continued growth? If your clients are now buying micro and mini computer systems, you may want to expand your MAS capabilities and train your staff on computer concepts and applications. Are your clients going public? If so, your firm may need to develop a working knowledge of SEC rules, regulations, and filings. Or, are you suddenly making contacts and getting business in a brand new industry area? Here, too, you may need specialized training to provide you with the skills required to adequately service these clients.

Next, you should determine *staff* needs. Ask your staff what training they believe they need to function effectively in the firm. An easy way to accomplish this is by conducting a survey. This survey should cover the training already taken by the staff, the areas of training they believe they need, and

their experience as instructors or course developers. Give them a detailed listing of topics and ask them to indicate the degree of interest they have for each topic.

After you've surveyed the staff, analyze the survey results and determine if there are any training needs common to staff at a particular level. Based on this analysis and your knowledge of the assignments for each level, categorize topics by level. For example, if your first year people only work on review engagements, you need not train them on auditing inventories. Rather, you would want to concentrate on "how to do" skills such as workpaper documentation and basic analytical review procedures. Training for your senior level people may focus on "in-charge" skills such as workpaper review, time budgets, delegation and engagement planning. One word of caution — don't be prejudiced by the level training programs currently available. Regardless of whether the Standard Level I Staff Training Program covers internal control evaluation, you must determine if that topic is indeed necessary for *your* newly hired staff person.

Once you've developed a curriculum for different staff levels, you should prioritize your needs. Determine if the number of professionals having a simi-

lar need is sufficient to warrant an in-house program. Generally, technical update programs and "hot topics" appeal to many of your professional staff and should be considered for in-house use. On the other hand, if there is a topic affecting only one or two of your staff, you should consider using a self-study program or sending those people to an outside session.

Course Selection

Now that you've developed a long-range curriculum plan, you must select specific training programs that meet both your firm and staff needs. To maximize cost effectiveness, you should buy existing materials and then tailor them to your own practice. Since it normally takes between twenty and forty hours to develop one hour of CPE, you should consider developing your own original material only if you can't find satisfactory material from other sources. Currently, the AICPA and several state societies have in-house training material. Also, there are CPE consultants who have training programs that can be purchased for in-house use. Additionally, these same consultants can customize material for your firm or can work with your staff in developing your own training programs. You should review course catalogues and identify those programs that appear to fit your curriculum plan. List out all possible programs and compare their descriptions, costs, and prior ratings, if applicable. Then review the materials for those programs you believe best fit your firm needs.

Often, you'll discover that there are gaps between your curriculum plan and the available in-house programs. At this point, you should decide whether it would be more cost effective to send your staff to existing outside seminars or to invest money in developing your own programs. Here, again, weigh the advantages of using an experienced training consultant to develop programs rather than tying up someone on your staff and losing chargeable hours.

Scheduling CPE

Your curriculum plan should be the basis of your annual CPE schedule. Review your plan and determine the training priorities for each staff member for the next year. Identify the sessions you will conduct in-house and pick out dates for the sessions. You may consider selecting a regular specific time

period; for example, the third Monday of each month, from 6:00 p.m. to 8:00 p.m., and schedule all of your in-house sessions at that time each month. In this way, all of your staff can block out that time each month for training. This may help reduce scheduling conflicts and absences.

When scheduling specific programs, remember that the timing of a course is important. It certainly makes more sense to schedule a tax update course before tax season starts rather than to hold it after April 15. Also keep in mind client peak demands. If June is a normally heavy and busy month for your firm, consider holding off CPE until client demands have levelled off. If your staff will also be attending outside seminars, make sure you schedule these sessions as early as possible so that there is no conflict with client assignments.

Administration

A training seminar will not be successful unless you have the right topic, the right audience, the right instructor and the right facility. The first two ingredients should be fulfilled by proper curriculum planning. However, very often, little time is devoted to the last two items. And, these two are indeed vital to your session.

When selecting an instructor, keep in mind that everyone should not be an instructor. Some people may be technically competent, but they may not have good presentation skills. Make sure you use only those people that are truly effective instructors, as well as knowledgeable in the subject matter.

If you find you have very few people who have the combined technical expertise and presentation skills, you may consider team teaching. The instructor with the strong presentation skills should be the "lead" instructor and should draw on the technical expertise of the other instructor. However, if you use this approach, it is vital that the two team instructors review the program outline and format and decide how they will present the session. Nothing is more distracting than two instructors who interrupt each other or who are disorganized in their teaching approach.

Another solution to the problem of too few experienced instructors is instructor training. It's a good idea to send all those whom you've identified as instructor candidates to a formal instructor training session. This session

should concentrate on improving presentation skills, as well as providing some key teaching tips by videotaping the participant and then critiquing his or her performance. There are several good instructor training sessions around. For example, some of the CPA state societies like New York, Illinois, Texas and California sponsor instructor training sessions ranging from a few hours to a full day. Some of these sessions are free and others charge a slight fee. Also, some CPE consultants are willing to conduct instructor training programs right in your own office.

How can you identify the right instructor candidates? First, your candidate should have the desire to instruct. If someone does not enjoy teaching or speaking before groups, then that person should not be forced to teach. Look for those people who really enjoy getting in front of groups. Next, identify those who have the poise, self-confidence, and the ability to instruct. Very often, those who want to be on the fast track will volunteer to do anything in order to prove their commitment to the firm. Make sure your staff understands that you do not look unfavorably on those who do not participate as instructors. Let them know that you value their other strengths just as much as you value strong presentation skills. And last, choose a person who is knowledgeable about the topic. The person should not only have "book" knowledge, but should also have practical experience in the field.

Facilities, too, play a significant role in the effectiveness of a session. If at all possible, you should hold your in-house programs off premises in order to minimize interruptions. Consider a breakfast meeting at a local hotel or an evening session at your CPA state society office. Regardless of the location, telephone or other interruptions should not be allowed. The room should be set up in such a way as to encourage group discussion. Round table, U-shape or hollow square set ups are the best to facilitate active participation and interaction. Also make sure that the room itself is well lit, well ventilated and large enough. Over crowded and uncomfortable rooms will turn the participants attention away from the program content to their own discomfort.

The administrative duties do not end with the selection of an instructor and a facility. A firm must also maintain adequate CPE records for its staff. The

AICPA has set certain standards for course documentation. Basically, a firm must maintain the following documentation for each program it sponsors:

- A notification to participants in advance of the session of the program content, program objectives, level of knowledge, prerequisites, advance preparation, presentation method and recommended CPE credit.
- A program record with an outline, an attendance record, and a record of the date, location, instructor and recommended CPE credit.
- An instructor biography.
- Program evaluations.
- Program materials.

Each participant of a session should also keep a record of all CPE taken. This record should contain the name of the program sponsor, the title or content of the program, the date, location, instructor and the recommended CPE credit. Also the individual should have evidence of attendance or completion of the program.

If a firm is a member of the SEC or Private Companies Practice Sections,

it must file an annual education report indicating compliance with the section's CPE membership requirements. It must also maintain for its five most recent education years, a record of CPE for each professional and a record of all programs it sponsored. The same information discussed above would be required in the firm CPE records. Additionally, either the firm or the professional would maintain evidence of attendance or completion for at least five education years.

Conclusion

Any effective in-house program will require time and effort on the part of any firm, no matter what size. However, you must weigh the benefits against the costs. First, there is a distinct cost savings by doing training in-house. Second, by running your own CPE program, you can customize and tailor programs that are responsive to your own practice needs. And last, your firm's reputation and profitability will be enhanced by helping you develop the expertise needed to attract new clients and better serve existing ones. Surely these benefits outweigh the costs of any in-house program.



Margaret Loscalzo, CPA, is a quality control and CPE consultant with Loscalzo Associates. She was formerly a manager in AICPA's CPE and Quality Control Divisions, and staff administrator and liaison with the Peer Review Committees. She has published in accounting journals, and is a member of AICPA, the New York State Society Practice Evaluation and Assistance Committee, the New Jersey Society Quality Control Committee and the New Jersey Society Report Review Committee.

